



Office of Inspector General
U.S. Department of State
and the
Broadcasting Board of Governors

MONTHLY REPORT OF **ACTIVITIES**

audits, inspections, testimony, and special activities

April/May 2000

This report describes testimony provided by the Inspector General or other OIG officials and lists OIG reports issued during the period indicated. This report includes unclassified summaries of classified reports; all text in this report is unclassified. Classified reports are not distributed publicly. On occasion, OIG distributes an unclassified version of a classified report; in such a case, this listing also indicates the issued date of the original report. In addition, all major reports, together with OIG investigative activities are summarized in the Inspector General's semiannual reports to the Congress, which are publicly available every June and December.

Congressional and Outreach Activities

“Good Governance and Anti-Corruption Techniques: The Bureaucracy”

On April 6, the Inspector General participated in the second of a series of planned WORLDNET broadcasts addressing international anti-corruption, titled "Good Governance and Anti-Corruption Techniques: The Bureaucracy". Questions were fielded from public diplomacy video conference centers in Abidjan, Cote d'Ivoire, and Abuja and Lagos, Nigeria, with broadcasting to EUR, NEA, and WHA posts. Questions asked by the participants addressed reform initiatives to combat corruption; oversight and accountability measures to insure against waste, fraud and abuse in government; transparency in government through public disclosure of audit and investigative report findings; use of legislation for greater accountability, internal controls, and whistleblower protection; law enforcement initiatives to fight corruption; and prosecutorial and judicial proceedings to convict offenders.

Testimony

The Inspector General testified before the House Permanent Select Committee on Intelligence on May 4, and the House Committee on International Relations on May 11, on OIG oversight and report findings and recommendations contained in the OIG report "Protecting Classified Documents at Main State Headquarters," SIO/A-99-46, in response to recent security lapses.

On May 17, The Inspector General testified before the House Committee on International Relations on OIG oversight and report findings and recommendations addressed in the OIG report "Review of FY 1999 Emergency Supplemental Appropriations," 00-OIG-001, the Department's Response to the Overseas Presence Advisory Panel Report, and other management initiatives undertaken by the Bureau of Diplomatic Security to enhance domestic and overseas security programs.

Global and Anti-Corruption Initiatives

The Director of Congressional and Media Relations participated in the third of a series of Worldnet Broadcasts addressing global anti-corruption initiatives on May 23 with audience participants in Port-au-Prince, Haiti; Dar Es Salaam, Tanzania; and Yaounde, Cameroon.

Reports Issued by the Office of Audits

Foreign Service Retirement and Disability Fund's Financial Statements for FY 1999 **(00-FM-017)**

OIG audited the Foreign Service Retirement and Disability Fund's (FSRDF) Financial Statements for FY 1999 in order to obtain reasonable assurance and express an opinion on whether the financial statements were free of material misstatement, to determine whether FSRDF has an internal control structure that provides reasonable assurance of achieving internal control objectives, and whether FSRDF complied with applicable laws and regulations. The FSRDF is a trust fund that provides pensions to retired and disabled members of the Foreign Service. For FY 1999, FSRDF reported assets of \$10.3 billion and no actuarial unfunded liability.

OIG is issuing an unqualified opinion on the FSRDF financial statements for FY 1999. The audit did not identify any internal control weaknesses or instances of noncompliance with laws and regulations that were considered necessary for disclosure.

Reports Issued by the Office of Inspections

Inspection of Embassy Managua, Nicaragua (ISP/I-00-10)

Now a partner rather than a threat, Nicaragua cooperates with the U.S. in areas of mutual concern, such as blocking narcotics trafficking. Through programs aimed at consolidating democracy and strengthening national institutions, Embassy Managua is effectively engaged in developing possibilities for further cooperation. U.S. agencies are well integrated in this effort.

For nearly 30 years the Embassy has been located in an inadequate and insecure building of temporary construction. A new chancery is urgently needed. There are several administrative shortcomings, including the need for a more proactive International Cooperative Administrative Support Services (ICASS) council and updated computer systems. Management controls in some areas, including the general services office, are weak and need to be improved.

Inspection of Embassy San Salvador, El Salvador (ISP/I-00-11)

U.S. programs that strengthen democracy, promote economic reform, and alleviate rural poverty have been important in the significant progress El Salvador has made since the end of its civil war eight years ago. Embassy San Salvador's management of interagency participation in mission programs, especially in law enforcement, is a model for embassies elsewhere. U.S. programs aimed at improving the rule of the law have scored some impressive results.

One of six Salvadorans lives in the United States. The influence of many others to follow puts enormous pressure on the undermanned consular section. More personnel are urgently needed. U.S. programs intended to curb illegal immigration – a principal U.S. interest – have so far not overcome the main incentives to leave -- a very high crime rate, poverty and a strong U.S. economy.

All mission elements except the Peace Corps are located on the secure chancery compound. The management of administrative and support functions at the Embassy is generally strong.

Inspection of Embassy Buenos Aires, Argentina (ISP/I-00-12)

April/May 2000

With a 3-year gap in the ambassador's job in Buenos Aires, the mission is ably led by the chargé, who has done an outstanding job in managing the bilateral relationship. The lack of an ambassador has been more an embarrassment than a detriment to U.S. – Argentine relations. There is excellent access at the very highest levels of the new Argentine government, inaugurated in December 1999, as there was with the old. The embassy team has fostered relationships of mutual trust and openness, ensuring that the new government remains committed to continuing Argentina's role as the United States' best friend in the region. A series of acting deputy chiefs of mission, all of whom believed their tenure would be brief, made for less attention to internal management of the mission than necessary.

Reporting and analysis are of high quality, and the mission's "economic cluster," composed of the economic section, Foreign Commercial Service, and Foreign Agricultural Service, cooperates well at all levels on coverage of issues of mutual interest, including successful promotion of U.S. exports, sharing of contacts and information, and the frequent and numerous high-level visits. Public diplomacy strategy has been effectively woven into every aspect of the mission's performance plan and is integral to post activities.

Fraudulent use of the visa-free Argentine passport by third country nationals and alien smugglers to illegally migrate to the United States may have an impact on U.S. border security. The Embassy and the Department need to better combine efforts to help the Argentine government strengthen its immigration system. Argentina's inclusion in the visa waiver program has significantly lessened the Embassy's visa workload and led to downsizing of staff. Additional resource savings can be achieved by further implementation of the Bureau of Consular Affairs' best practice procedures.

The post's attention to security issues is excellent, and it has initiated several positive steps while awaiting Department decisions. Staffing gaps in the administrative section have affected diplomatic readiness. Full staffing, expected by summer 2000, will permit focus on real property issues, including chancery space utilization and upkeep of the recently renovated ambassador's residence.

Reports Issued by the Office of Security and Intelligence Oversight

During this reporting period a report of evaluation of Embassy Luanda, Angola, was issued and inspections were completed at the following embassies: Riga, Latvia; Vilnis, Lithuania; Ljubljana, Slovenia; Berlin, Germany; Budapest, Hungary; and Chisinau, Moldova.